

Mineral Revenue Collections

January - June 1999



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January - June 1999

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Executive Summary

Mineral revenues on Federal and Indian lands fell 35.1 percent, or \$1 billion, through the second quarter of Calendar Year (CY) 1999, in comparison with the same period in CY 1998 (tables 3 and 4, and figure 2). The decline was due to lower oil and gas prices and reduced receipts from offshore lease sales.

Federal offshore revenues fell \$985.6 million, or 42.4 percent, during the period. Offshore royalties dropped 22.2 percent, or \$329.1 million, while bonus collections fell 87 percent, or \$671.6 million (tables 3 and 4, and figure 7). Offshore oil and gas royalties were both lower in 1999 due to falling prices. Offshore bonus collections in 1998 were significant with over 6.3 million acres leased. Bonus collections are lower in 1999 with fewer acres subject to lease.

Federal onshore revenues declined \$46.9 million, or 8.4 percent, during the same period. A \$53.4 million decline in royalties was partially offset by an \$18.5 million increase in bonus collections (tables 3 and 4, and figure 10).

Revenues from Indian lands fell \$7.8 million, or 8.8 percent, during the period (tables 3 and 4, and figure 13). Declines in oil and gas royalties were offset, in part, by a moderate increase in coal royalties.

Coal Summary

The U.S. Department of Energy (DOE) reports that the electric utility sector consumes over 90 percent of all coal in the United States. Coal demand is expected to continue to grow in 1999, particularly with increased electricity demand due to unusually warm weather experienced during the summer months.

Sales volume on Federal and Indian lands rose 36.1 million short tons, from 181.4 million short tons in the first half of 1998 to 217.5 million short tons in the first half of 1999. Most of the growth occurred in Wyoming where over 70 percent of all Federal and Indian coal is produced. Many of the rail

transportation problems that plagued Wyoming coal mines in 1998 were resolved in 1999. Federal and Indian coal royalties rose 14 percent, or \$23.4 million in the first 6 months of CY 1999 over corresponding levels in CY 1998 (tables 3 and 4, and figure 3). The growth is attributed to increased production as a result of accelerating demand and improved rail transport.

Natural Gas Summary

The DOE reports that mild winter weather and below-normal heating demand last winter left natural gas storage levels well above 1998 figures. Gas storage at the end of March 1999 is estimated to be 160 billion cubic feet higher than it was a year ago. The summer produced above-average cooling demands that began to erode inventory stocks during the summer injection period. Inventory stocks were adequate, however, to keep gas prices below 1998 levels.

Federal and Indian gas royalties fell 20.9 percent, or \$257.3 million, in the first 6 months of CY 1999 in contrast to the first 6 months in 1998 (tables 3 and 4, and figure 3).

Oil Summary

The Organization of Petroleum Exporting Countries (OPEC), and non-OPEC countries declined to cut production in an effort to reduce supplies in 1998 and early 1999. Oil prices fell throughout 1998, including a nearly \$3 per barrel decline in December. The OPEC accords to cut production, signed March 23, 1999, caused a rebound in late spring prices. Much of the price increase will not be reflected in Federal and Indian royalty collections until later in CY 1999.

Federal and Indian oil royalties are down 24 percent, or \$139.7 million, in the first half of 1999 over corresponding levels in 1998 (tables 3 and 4, and figure 3).

Notice

This report is designed to provide a general record of collection activity during the period. Some information in this report necessarily includes estimated data that may change after publication. The report is subsequently not intended to be a final accounting of collections or disbursements. Detailed disbursement information is available to all States through explanation of payment reports mailed monthly to each State office. Final collection and disbursement information is published annually in *Mineral Revenues*.

Selected sales volume and sales value data in this report have not been adjusted to resolve distortions created by payors reporting on communitization or unitization agreements, nonstandard leases and agreements, and prior-period adjustments. Sales volume and sales value information in *Mineral Revenues* is adjusted to accommodate these types of distortions. Time and resource constraints preclude adjustments in this quarterly report series.

Indian nonstandard lease and agreement collections are not available in the first three quarters of the year. These collections are subsequently added into the fourth quarter of each year in this report. Complete Indian nonstandard lease and agreement collections are published in *Mineral Revenues*.

About This Report

The Mineral Revenue Collections report provides information addressing royalty, rent, bonus, and other revenue receipts from Federal and Indian leases. The Minerals Management Service (MMS) Royalty Management Program (RMP) distributes the report on a quarterly basis to Congressional, Federal, State, Indian, and industry representatives.

Some information in this report necessarily includes estimated data that may change after publication. Numbers in parentheses may include current year collections and credits, and prior-year adjustments.

Mineral Lease Revenues

The report addresses four types of lease revenues: bonuses, rents, minimum royalties, and royalties.

- **Bonuses** — Leases issued in areas known or believed to contain minerals are awarded through a competitive bidding process. Bonuses represent the cash amount successfully bid to win the rights to lease.
- **Rents** — A rent schedule is established at the time a lease is issued. Rents are annual payments, normally a fixed dollar amount per acre, required to preserve the rights to a lease while the lease is not in production.
- **Minimum Royalties** — A Federal lease may further contain a minimum royalty provision. Minimum royalty is the annual payment, on a per acre basis, required to maintain the rights to a lease until production exceeds a minimum value. Once annual production exceeds the minimum value, minimum royalty payments are no longer required in that year.

Minimum royalties are included under the entry “Other Revenues” in this report. “Other Revenues” includes settlement payments, gas storage fees, estimated payments, and recoupments in addition to minimum royalties.

- **Royalties** — A royalty is due when production begins. Royalty payments represent a stated share or percentage of the amount or the value of the mineral produced. The royalty may be an established minimum, a step-scale, or a sliding-scale. A step-scale royalty rate increases by steps as the average production on the lease increases. A sliding-scale royalty rate is based on average production and applies to all production from the lease.

Sales Volume and Sales Value

Sales volume represents the quantity reported sold during the period. Sales value represents the dollar value of the commodity reported sold during the period.

Selected sales volume and sales value figures in ***Mineral Revenues***, the final annual report, are adjusted to resolve distortions created by payors reporting on communitization and unitization agreements, nonstandard leases and agreements, and prior-period adjustments. Time and resource constraints preclude a similar adjustment of sales volume and sales value in this quarterly report series.

Revenue Collections and Disbursements

Revenues collected from mineral leases on Federal lands are distributed to States, to the U.S. Department of the Treasury (Treasury), and to a number of designated special-purpose accounts administered by Federal agencies, depending on the land category and the applicable law involved. The Bureau of Indian Affairs (BIA) disburses revenues collected from Indian leases to the appropriate Indian Tribes and allottees.

Royalty payments are generally due on the last day of the month following the month of production, unless that day falls on a weekend or holiday.

Payments are then due on the first business day of the following month.

Since 1983, MMS has generally disbursed mineral revenues derived from leases on public domain lands and shared with the States in the month following receipt of the payment. Disbursements are made under the provisions of section 104 of the Federal Oil and Gas Royalty Management Act of 1982 which amended the revenue disbursement provisions of the Mineral Leasing Act of 1920 (MLA), 30 U.S.C. 191. The MMS deposits Indian revenues in accounts administered by the Office of Trust Funds Management (OTFM) where they are invested and subsequently distributed to Indian Tribes and allottees by BIA. Since revenues collected in one month are disbursed in the following month, collection totals in a given year will not equal disbursement totals for the same year.

The MMS administers mineral leases from different land categories. Legislation and regulations govern formulas for the disbursement of revenues from these leases.

- **Offshore Lands** — Royalty, rent, and bonus revenues from Federal offshore mineral leases on the Outer Continental Shelf (OCS) are deposited to the General Fund of the Treasury through miscellaneous receipts. Under other applicable laws, specified amounts from total offshore revenues are transferred to the Land and Water Conservation Fund (LWCF) and the National Historic Preservation Fund (NHPF).

The LWCF, primarily administered by the National Park Service, provides revenues for the Federal Government, State governments, and local governments to purchase parks and recreation areas and to plan, acquire, and develop land and water resources for recreational use. Offshore mineral leasing provides approximately 70-90 percent of LWCF revenues.

The NHPF, administered by the National Park Service, is designed to expand and accelerate historic preservation plans and activities. The NHPF provides revenues for matching grants-in-aid to States and local governments, and funds the

National Trust for Historic Preservation. Offshore mineral leasing provides 100 percent of NHPF revenues.

Section 8(g) of the Outer Continental Shelf Lands Act (OCSLA) Amendments of 1978 provided that the States were to receive a “fair and equitable” division of revenues generated from the leasing of lands within 3 miles of the seaward boundary of a coastal State containing one or more oil and gas pools or fields underlying both the OCS and lands subject to the jurisdiction of the State.

The States and the Federal Government, however, could not reach agreement concerning the meaning of the term “fair and equitable.” Revenues generated within the 3-mile boundary were placed into an escrow fund beginning in August 1979. Revenues from the Beaufort Sea in Alaska were placed into a second escrow fund under section 7, beginning in December 1979.

Congress resolved the dispute over the meaning of “fair and equitable” in the OCSLA Amendments of 1985, Public Law 99-272. The law provides for the following distribution of section 8(g) revenues to the States:

- Disbursement of escrow funds in Fiscal Years (FY) 1986-87;
- A series of annual settlement payments disbursed to the States over a 15-year period from FY 1987 to FY 2001; and
- Recurring annual disbursements of 27 percent of royalty, rent, and bonus revenues received within each affected State’s 8(g) zone.

Congress passed a second law, Public Law 100-202, permitting distribution of \$322.9 million in section 7 Beaufort Sea escrow funds to Alaska in FY 1988.

- **Public Domain Lands** — The majority of Federal lands are in the public domain. Under section 35 of MLA, States other than Alaska receive 50 percent of all royalties, rents, and bonuses collected from any public domain leases located within their respective boundaries.

Forty percent of remaining mineral revenues is deposited in the Reclamation Fund administered by the Bureau of Reclamation. The Reclamation Fund provides revenues to build, maintain, and operate water and associated power projects on arid and semiarid Western lands. Federal onshore mineral leasing provides approximately 40-50 percent of Reclamation Fund revenues.

The remaining ten percent of mineral revenues from public domain leases is directed into the General Fund of the Treasury through miscellaneous receipts.

Alaska receives 90 percent of all royalties, rents, and bonuses paid for mineral production on public domain leases in Alaska. The State also receives 50 percent of all mineral revenues generated from the National Petroleum Reserve Alaska.

- **Acquired Lands** — The MMS collects all royalties, rents, and bonuses from leases issued under the Mineral Leasing Act for Acquired Lands of 1947, 30 U.S.C. 351 *et seq.*, on behalf of a number of Federal agencies. Revenues are disbursed according to laws applicable to the lands.

Seventy-five percent of mineral receipts from leases on acquired lands within a national forest administered by the U.S. Department of Agriculture is distributed to the General Fund of the Treasury. The remaining 25 percent is distributed to the State in which the lease is located.

Seventy-five percent of mineral revenues from leases on acquired lands within a national grassland administered by the U.S. Department of Agriculture is distributed to the General Fund of the Treasury. The remaining 25 percent is distributed to the county in which the lease is located.

Seventy-five percent of mineral receipts from acquired Flood Control Act lands administered by the U.S. Army Corps of Engineers is distributed to the State in which the lease is located. The remaining 25 percent is distributed to the General Fund of the Treasury.

Mineral revenues derived from leases on acquired National Wildlife Refuge lands are shared with the

county in which the lease is located, according to one of three alternative formulas prescribed by statute. The remainder is deposited in the General Fund of the Treasury.

All mineral receipts generated from leases on acquired reclamation project lands are paid to the Reclamation Fund.

Mineral revenues collected from leases on acquired military lands issued before 1981 are deposited in the General Fund of the Treasury. Revenues collected from mineral leases on acquired military lands issued beginning January 1, 1981, are disbursed in the same manner as revenues from public domain leases.

Receipts from other acquired lands are deposited in a general Treasury account.

- **Indian Lands** — The BIA collects bonuses and rents from nonproducing leases. The MMS disburses mineral royalties and rents from producing Indian Tribal and allotted leases to OTFM. The BIA subsequently makes disbursements to Tribes and to individual Indian allottees, with the following exceptions:
 - Oil and gas payments to four Tribes—the Jicarilla Apache, the Blackfeet, the Navajo Nation, and the Southern Ute—are made directly by the lease payor to financial institutions contracted by the Tribes to receive their mineral payments.
 - The BIA has authorized payors to make direct payments to selected individual Indian allottees.
 - The Osage Nation manages all mineral leases on its Tribal lands and collects its own revenues.
 - Solid mineral royalties are paid directly to the applicable Tribes or to a designated BIA office.
- **Alaska Native Lands** — Payments to the Cook Inlet Region, Inc., in Alaska on behalf of Alaskan Natives for the interests the Region holds in several former Federal leases, are made directly by lease payors to the corporation.

Products and Units of Measurement

Product	Unit of Measurement
Amethyst	Grams
Carbon Dioxide	Mcf (thousand cubic feet)
Coal	Short tons (2,000 pounds)
Copper	Short tons
Garnet Gem	Kilograms
Gas	Mcf
Gas Plant Products	Gallons
Geothermal and Heated Water Sources	Millions of British thermal units
Helium	Mcf
Nitrogen	Mcf
Oil	Barrels (42 U.S. gallons)
Phosphate	Short tons
Potash	Short tons
Quartz Crystals	Pounds
Sand and Gravel	Short tons
Sodium	Short tons
Sulfur	Short tons
All Other Solid Minerals	Short tons

NOTE: Sulfur is reported as either a fluid or solid mineral based on the method of extraction. Fluid mineral sulfur is produced by extracting the product from the oil and gas stream. All onshore sulfur and a limited amount of offshore sulfur are currently produced from the oil and gas stream. Solid mineral sulfur is extracted using the Frasch process. The majority of offshore sulfur is produced using the Frasch mining method.

Copper reported in pounds and sulfur reported in long tons have been converted to short tons in this report.

Sodium product figures include sodium borate and carbonate compounds.

National Summary



Photo courtesy of Texaco Inc.

Table 1. Revenues from Federal and Indian mineral leases, by quarter, Calendar Year 1999

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties	\$ 93,558,806	\$ 96,651,585	\$ ---	\$ ---	\$ 190,210,391
Gas Royalties	509,179,444	462,096,130	---	---	971,275,574
Oil Royalties	196,015,364	246,788,504	---	---	442,803,868
Other Royalties . . .	<u>26,707,329</u>	<u>33,583,173</u>	<u>---</u>	<u>---</u>	<u>60,290,502</u>
Royalty Subtotal	\$ 825,460,943	\$ 839,119,392	\$ ---	\$ ---	\$ 1,664,580,335
Rents	\$ 20,997,029	\$ 75,652,980	\$ ---	\$ ---	\$ 96,650,009
Bonuses	\$ 55,578,204	\$ 111,238,362	\$ ---	\$ ---	\$ 166,816,566
Other Revenues . .	<u>\$ (2,155,814)</u>	<u>\$ 1,996,396</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (159,418)</u>
Total	\$ 899,880,362	\$ 1,028,007,130	\$ ---	\$ ---	\$ 1,927,887,492

Table 2. Revenues from Federal and Indian mineral leases, by quarter, Calendar Year 1998

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties	\$ 92,882,726	\$ 73,973,075	\$ 89,994,060	\$ 88,884,310	\$ 345,734,171
Gas Royalties	673,146,192	555,434,317	588,103,995	474,243,255	2,290,927,759
Oil Royalties	306,689,208	275,781,505	262,694,469	227,513,615	1,072,678,797
Other Royalties . . .	<u>41,833,431</u>	<u>37,262,837</u>	<u>38,362,464</u>	<u>31,465,085</u>	<u>148,923,817</u>
Royalty Subtotal	\$ 1,114,551,557	\$ 942,451,734	\$ 979,154,988	\$ 822,106,265	\$ 3,858,264,544
Rents	\$ 33,575,228	\$ 81,039,121	\$ 63,440,344	\$ 120,590,958	\$ 298,645,651
Bonuses	\$ 416,809,336	\$ 403,032,203	\$ 451,456,809	\$ 183,216,416	\$ 1,454,514,764
Other Revenues . .	<u>\$ (31,973,802)</u>	<u>\$ 8,795,756</u>	<u>\$ 33,934,940</u>	<u>\$ (13,797,849)</u>	<u>\$ (3,040,955)</u>
Total	\$ 1,532,962,319	\$ 1,435,318,814	\$ 1,527,987,081	\$ 1,112,115,790	\$ 5,608,384,004

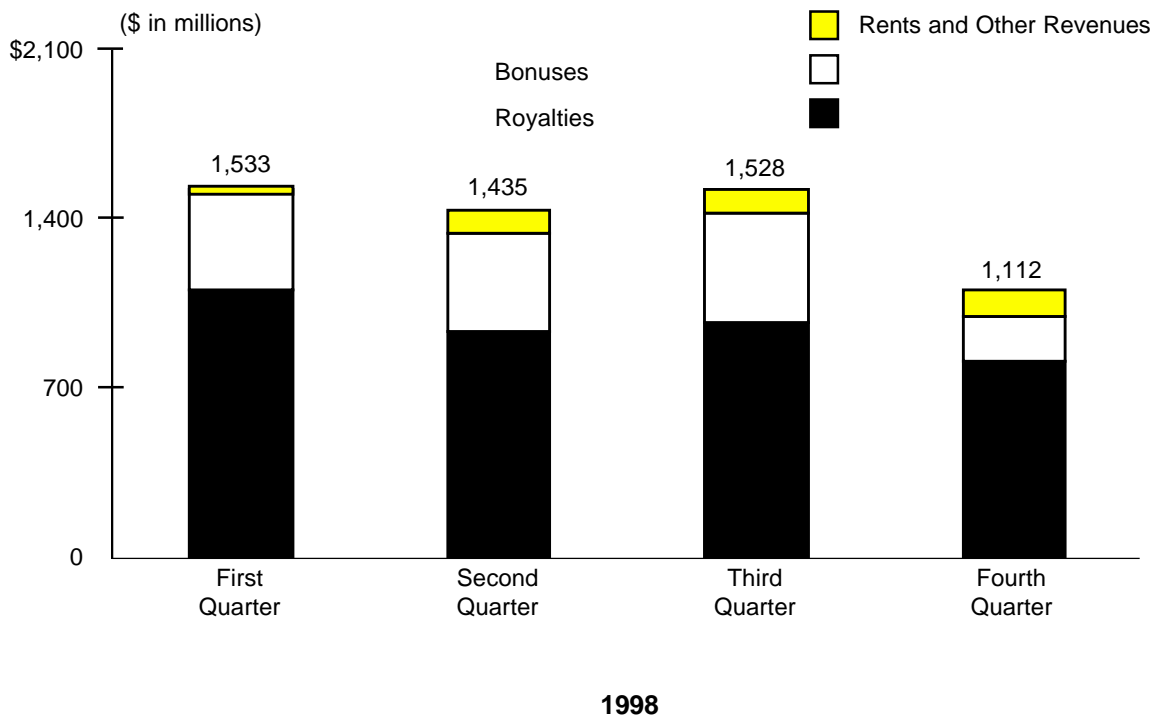
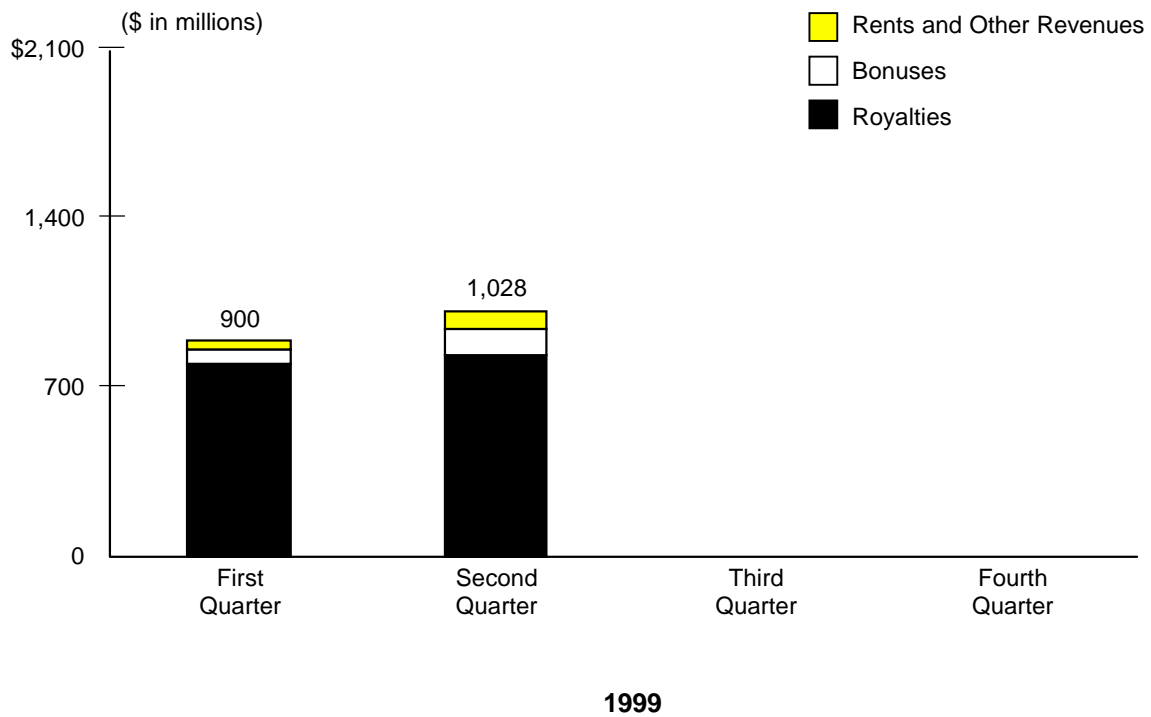


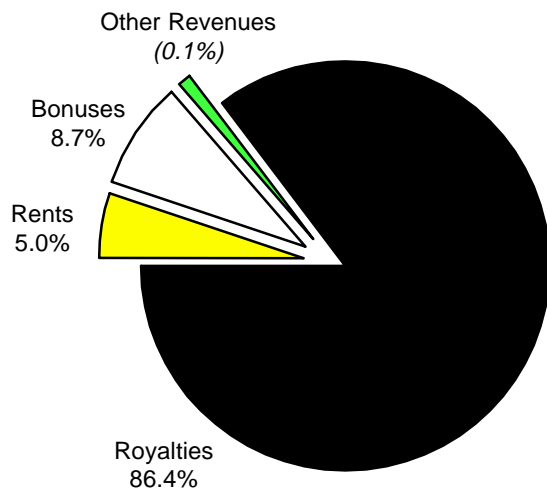
Figure 1. Revenues by source from Federal and Indian mineral leases, by quarter, Calendar Years 1998 and 1999

Table 3. Revenues from Federal and Indian mineral leases, January - June, 1999

	Federal Offshore	Federal Onshore	Indian	Total
Coal Royalties	\$ ---	\$157,718,949	\$32,491,442	\$ 190,210,391
Gas Royalties	755,816,784	184,713,069	30,745,721	971,275,574
Oil Royalties	379,099,867	55,123,073	8,580,928	442,803,868
Other Royalties	<u>20,406,305</u>	<u>35,820,322</u>	<u>4,063,875</u>	<u>60,290,502</u>
Royalty Subtotal ...	\$1,155,322,956	\$433,375,413	\$75,881,966	\$1,664,580,335
Rents	\$ 77,743,477	\$ 18,403,361	\$ 503,171	\$ 96,650,009
Bonuses	\$ 100,335,209	\$ 66,481,357	\$ ---	\$ 166,816,566
Other Revenues	<u>\$ 4,341,970</u>	<u>\$ (9,300,976)</u>	<u>\$ 4,799,588</u>	<u>\$ (159,418)</u>
Total	\$1,337,743,612	\$508,959,155	\$81,184,725	\$1,927,887,492

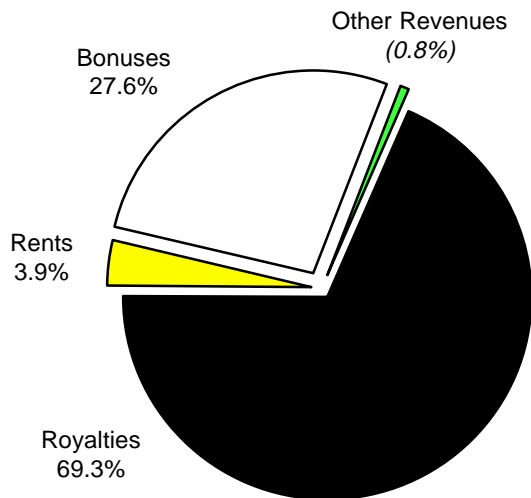
Table 4. Revenues from Federal and Indian mineral leases, January - June, 1998

	Federal Offshore	Federal Onshore	Indian	Total
Coal Royalties	\$ ---	\$140,943,462	\$25,912,339	\$ 166,855,801
Gas Royalties	959,740,581	229,981,682	38,858,246	1,228,580,509
Oil Royalties	492,302,359	73,315,325	16,853,029	582,470,713
Other Royalties	<u>32,332,849</u>	<u>42,540,280</u>	<u>4,223,139</u>	<u>79,096,268</u>
Royalty Subtotal ...	\$1,484,375,789	\$486,780,749	\$85,846,753	\$2,057,003,291
Rents	\$ 94,582,640	\$ 19,625,798	\$ 405,911	\$ 114,614,349
Bonuses	\$ 771,885,761	\$ 47,955,778	\$ ---	\$ 819,841,539
Other Revenues	<u>\$ (27,472,462)</u>	<u>\$ 1,543,644</u>	<u>\$ 2,750,772</u>	<u>\$ (23,178,046)</u>
Total	\$2,323,371,728	\$555,905,969	\$89,003,436	\$2,968,281,133



Royalties	\$1,664,580,335
Rents	96,650,009
Bonuses	166,816,566
Other Revenues	(159,418)
Total	\$1,927,887,492

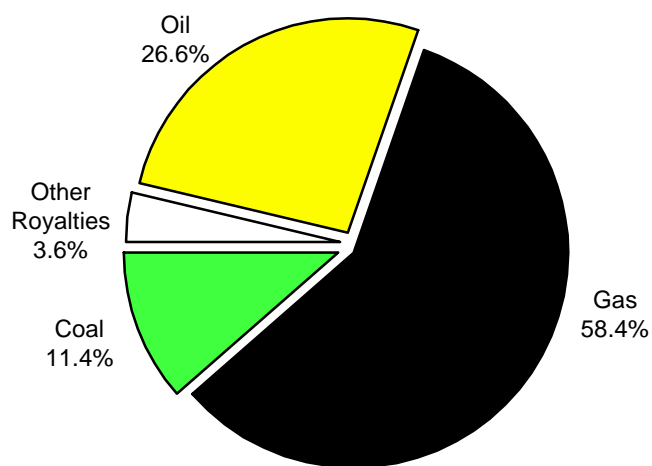
January - June, 1999



Royalties	\$2,057,003,291
Rents	114,614,349
Bonuses	819,841,539
Other Revenues	(23,178,046)
Total	\$2,968,281,133

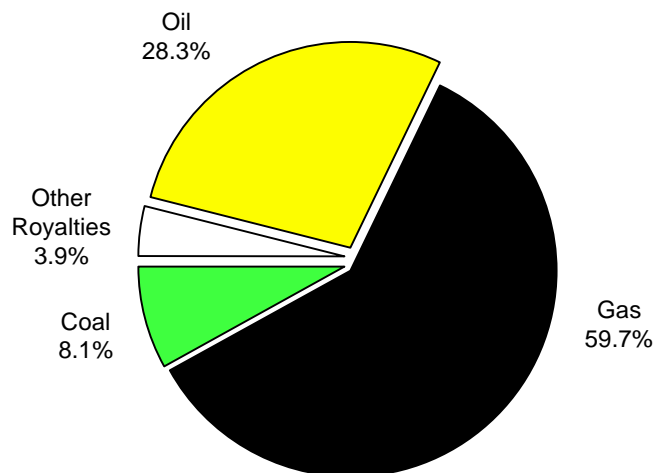
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**Figure 2. Revenues from Federal and Indian mineral leases by source,
January - June, 1998 and 1999**



Coal	\$ 190,210,391
Gas	971,275,574
Oil	442,803,868
Other Royalties	<u>60,290,502</u>
Total	\$1,664,580,335

January - June, 1999



Coal	\$ 166,855,801
Gas	1,228,580,509
Oil	582,470,713
Other Royalties	<u>79,096,268</u>
Total	\$2,057,003,291

January - June, 1998

Figure 3. Royalties from Federal and Indian mineral leases by commodity, January - June, 1998 and 1999

Offshore Federal Mineral Revenues



Photo courtesy of Shell Oil Company

Table 5. Revenues from OCS mineral leases, by quarter, Calendar Year 1999

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Gas Royalties	393,695,283	362,121,501	---	---	755,816,784
Oil Royalties	165,183,174	213,916,693	---	---	379,099,867
Other Royalties . . .	<u>6,340,156</u>	<u>14,066,149</u>	<u>---</u>	<u>---</u>	<u>20,406,305</u>
Royalty Subtotal	\$ 565,218,613	\$ 590,104,343	\$ ---	\$ ---	\$1,155,322,956
Rents	\$ 11,271,864	\$ 66,471,613	\$ ---	\$ ---	\$ 77,743,477
Bonuses	\$ ---	\$ 100,335,209	\$ ---	\$ ---	\$ 100,335,209
Other Revenues . .	<u>\$ 1,615,619</u>	<u>\$ 2,726,351</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 4,341,970</u>
Total	\$ 578,106,096	\$ 759,637,516	\$ ---	\$ ---	\$1,337,743,612

Table 6. Revenues from OCS mineral leases, by quarter, Calendar Year 1998

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Gas Royalties	532,020,128	427,720,453	463,086,640	372,388,293	1,795,215,514
Oil Royalties	257,116,918	235,185,441	224,345,770	191,859,230	908,507,359
Other Royalties . . .	<u>16,029,844</u>	<u>16,303,005</u>	<u>14,928,759</u>	<u>10,105,873</u>	<u>57,367,481</u>
Royalty Subtotal	\$ 805,166,890	\$ 679,208,899	\$ 702,361,169	\$574,353,396	\$2,761,090,354
Rents	\$ 23,098,324	\$ 71,484,316	\$ 52,888,639	\$111,003,842	\$ 258,475,121
Bonuses	\$ 384,415,416	\$ 387,470,345	\$ 396,661,984	\$151,785,166	\$1,320,332,911
Other Revenues . .	<u>\$ (33,276,075)</u>	<u>\$ 5,803,613</u>	<u>\$ 25,319,811</u>	<u>\$ (15,108,403)</u>	<u>\$ (17,261,054)</u>
Total	\$1,179,404,555	\$1,143,967,173	\$1,177,231,603	\$822,034,001	\$4,322,637,332

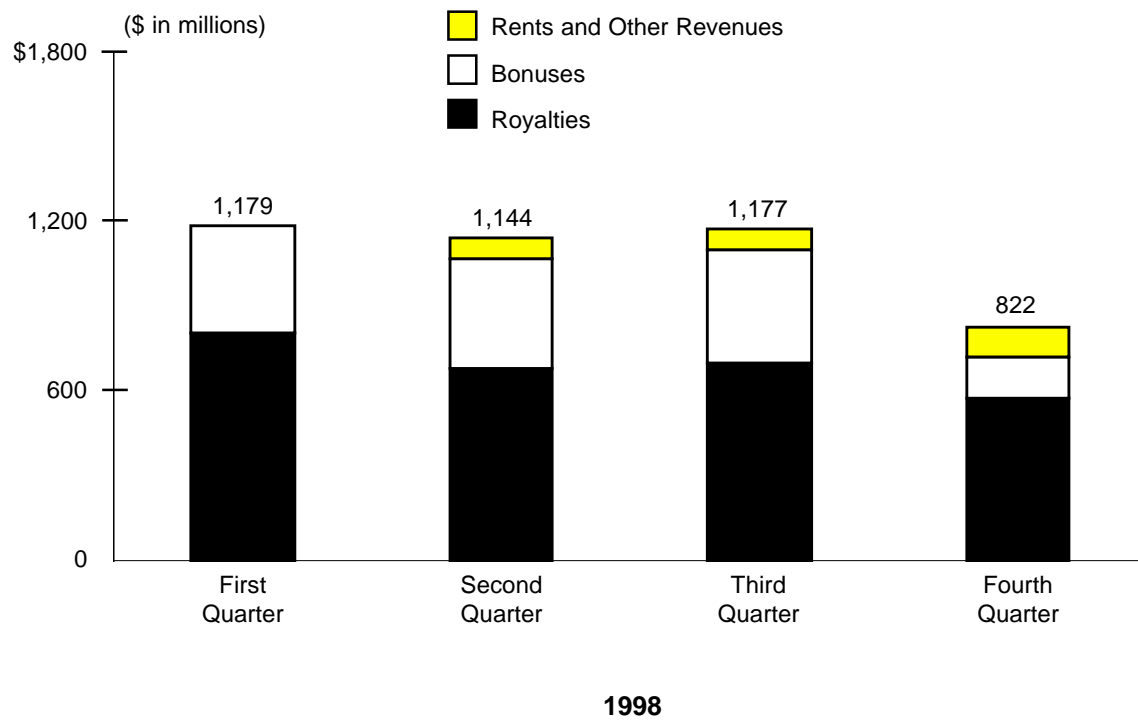
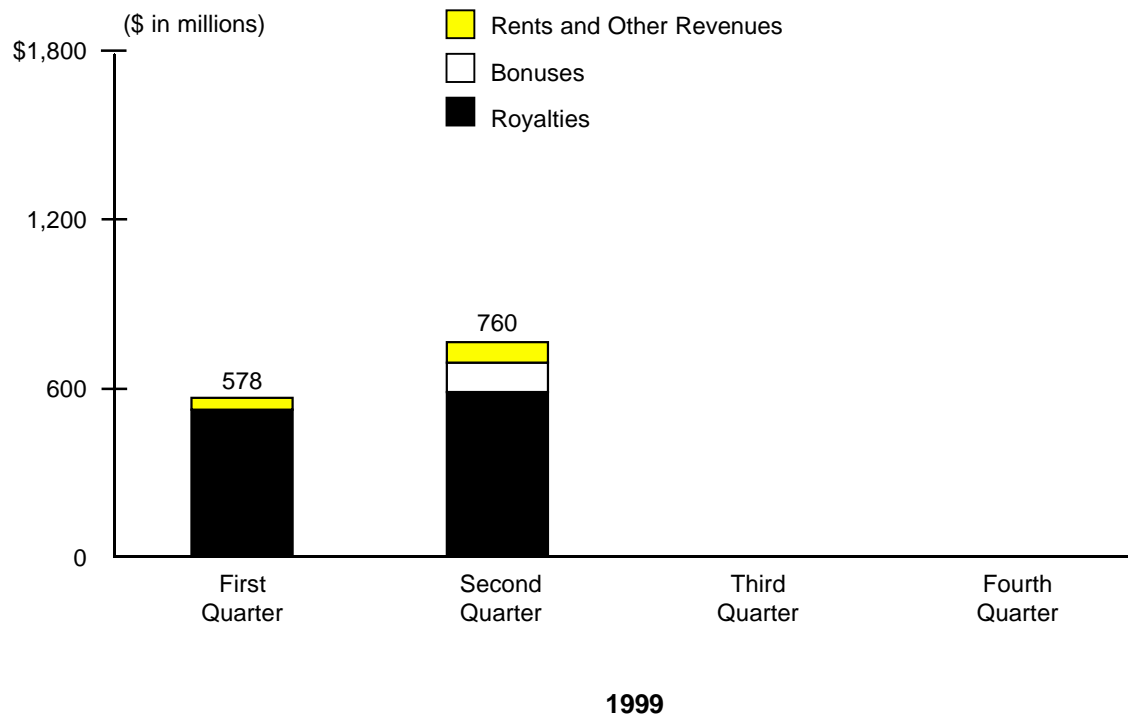


Figure 4. Revenues by source from OCS mineral leases, by quarter, Calendar Years 1998 and 1999

Table 7. Summary of royalties, rents, bonuses, and other revenues from OCS mineral leases, January - June, 1999

	Sales Volume	Sales Value	Royalties/ Revenues
Gas			
Alabama	65,159,387	\$ 129,438,903	\$ 20,267,843
Alaska	---	---	---
California	18,959,317	43,560,433	7,083,596
Gulf of Mexico	3,209,252	7,067,818	343,132
Louisiana	1,985,284,428	3,834,259,323	593,356,161
Mississippi	9,774,305	17,888,019	2,959,336
Texas	<u>436,398,437</u>	<u>811,230,026</u>	<u>131,806,716</u>
Subtotal	2,518,785,126	\$4,843,444,522	\$ 755,816,784
Gas Lost			
California	---	\$ ---	\$ ---
Louisiana	<u>1,105,242</u>	<u>2,480,678</u>	<u>326,937</u>
Subtotal	1,105,242	\$ 2,480,678	\$ 326,937
Gas Plant Products			
Alabama	515,973	\$ 83,160	\$ 11,131
Alaska	---	---	---
California	14,341,503	4,316,153	303,755
Gulf of Mexico	---	---	---
Louisiana	623,067,224	149,876,302	15,014,950
Mississippi	---	---	---
Texas	<u>21,713,626</u>	<u>3,780,590</u>	<u>516,323</u>
Subtotal	659,638,326	\$ 158,056,205	\$ 15,846,159
Oil			
Alabama	1,975	\$ 14,771	\$ 2,455
Alaska	---	---	---
California	23,301,198	163,548,595	21,261,158
Gulf of Mexico	27	364	57
Louisiana	221,078,381	2,400,664,820	340,392,701
Mississippi	---	---	---
Texas	<u>10,720,146</u>	<u>127,218,841</u>	<u>17,443,496</u>
Subtotal	255,101,727	\$2,691,447,391	\$ 379,099,867
Sulfur			
Alabama	22,799	\$ 941,359	\$ 87,264
California	24,822	75,460	2,377
Louisiana	<u>824,866</u>	<u>46,284,836</u>	<u>4,143,568</u>
Subtotal	872,487	\$ 47,301,655	\$ 4,233,209
Royalty Total		\$7,742,730,451	\$1,155,322,956

Table 7. Summary of royalties, rents, bonuses, and other revenues from OCS mineral leases, January - June, 1999 (cont.)

	Sales Volume	Sales Value	Royalties/ Revenues
Rents			
Alabama			\$ 24,430
Alaska			212,680
California			---
Florida			---
Gulf of Mexico			48,842,185
Louisiana			25,340,617
Mississippi			123,040
New York			---
North Carolina			---
South Carolina			---
Texas			3,200,525
Rents Total			\$ 77,743,477
Bonuses			
Alabama			\$ ---
Alaska			---
Gulf of Mexico			74,273,153
Louisiana			26,062,056
Mississippi			---
Texas			---
Bonuses Total			\$ 100,335,209
Other Revenues			
Alabama			\$ (250,052)
Alaska			---
California			264,313
Gulf of Mexico			(181,000)
Louisiana			3,934,042
Mississippi			21,445
Texas			553,222
Virginia			---
Other Revenues Total			\$ 4,341,970
Total Revenues			\$1,337,743,612

NOTE: Boundaries for offshore State areas have not been legally defined beyond the area identified in Section 8(g) of the Outer Continental Shelf Lands Act Amendments of 1985, Public Law 99-272. Beginning in 1996, revenues from new offshore leases issued in the Gulf of Mexico beyond the section 8(g) boundaries are listed in this report under "Gulf of Mexico." Revenues from leases issued within each State's 8(g) zone and leases previously identified with a particular State will continue to be listed under that State.

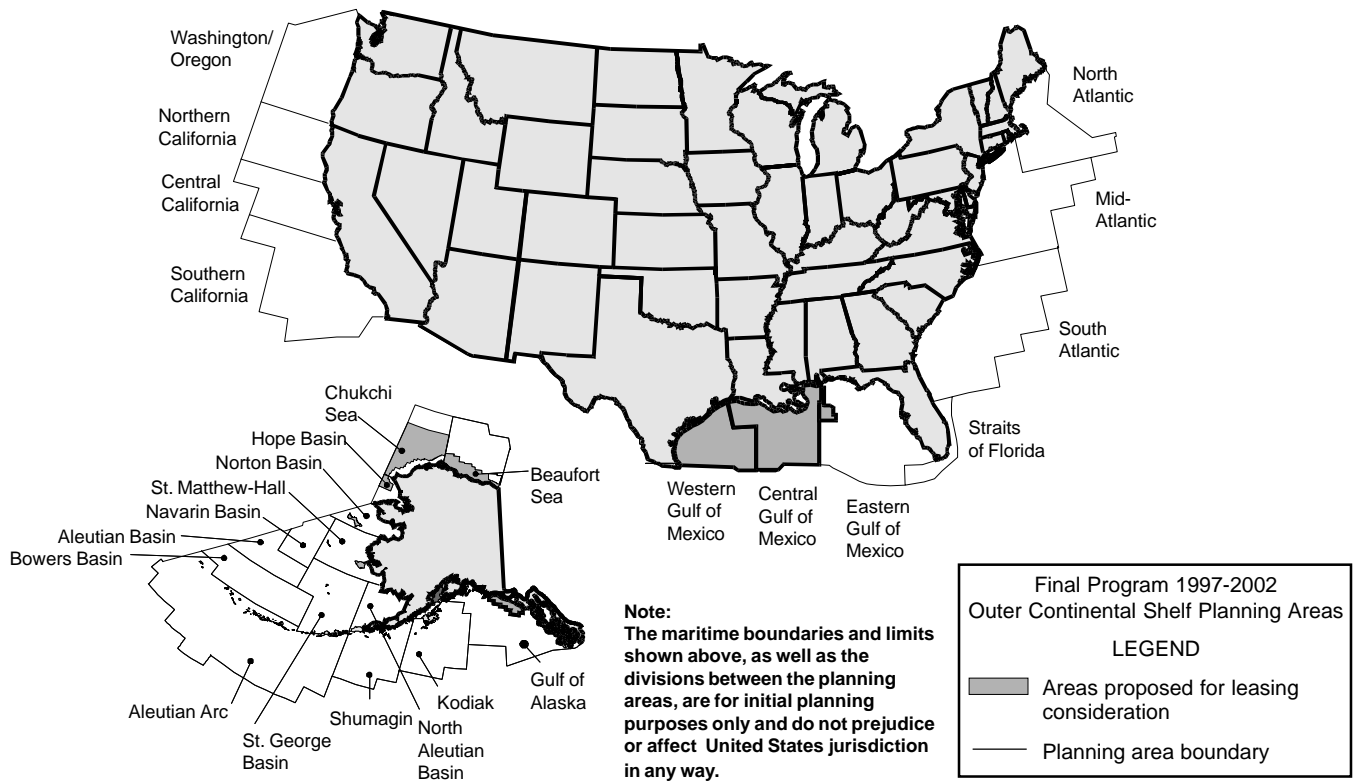


Figure 5. Map of OCS regions in current OCS oil and gas leasing program

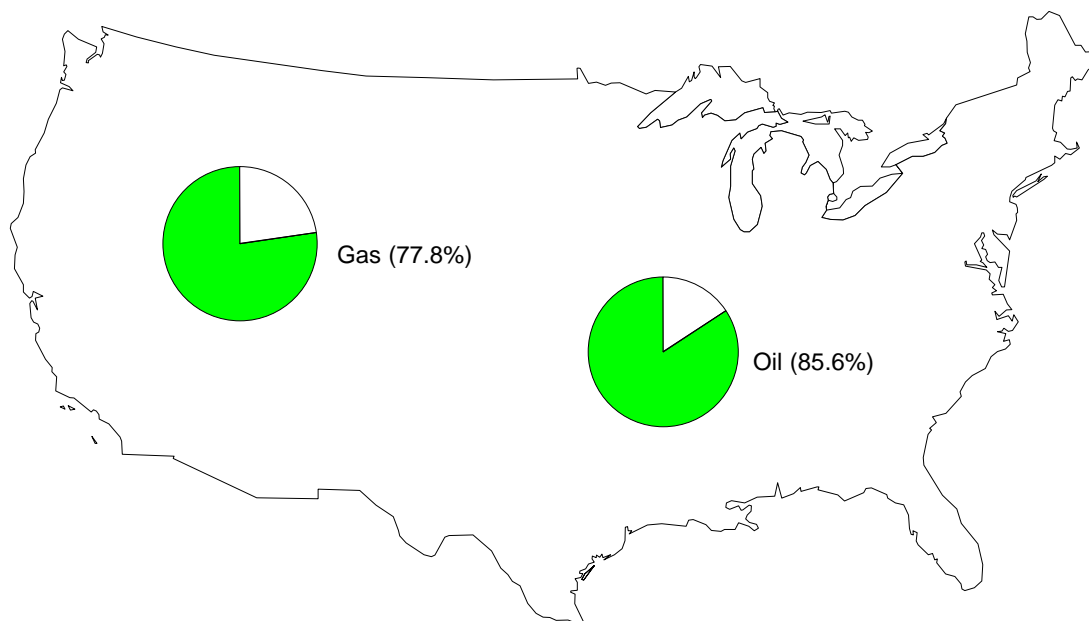
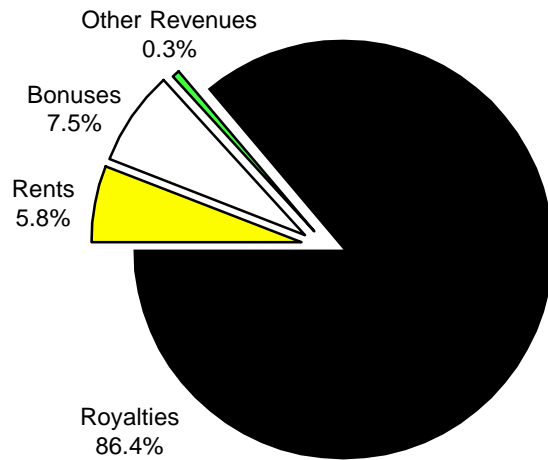
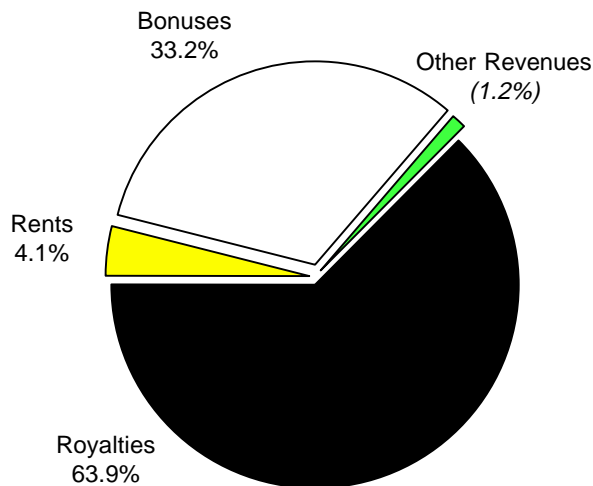


Figure 6. OCS royalties as a percentage of total Federal and Indian royalties from oil and gas, January - June, 1999



Royalties	\$1,155,322,956
Rents	77,743,477
Bonuses	100,335,209
Other Revenues	4,341,970
Total	\$1,337,743,612

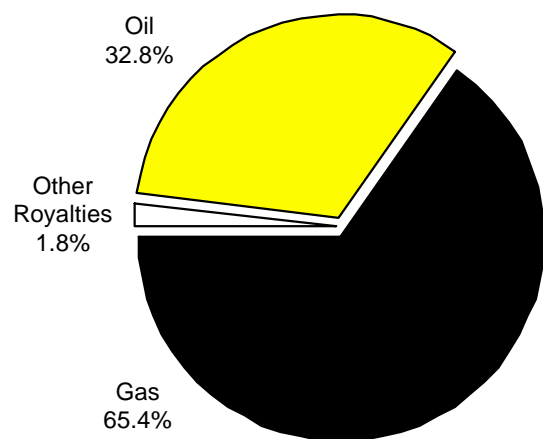
January - June, 1999



Royalties	\$1,484,375,789
Rents	94,582,640
Bonuses	771,885,761
Other Revenues	(27,472,462)
Total	\$2,323,371,728

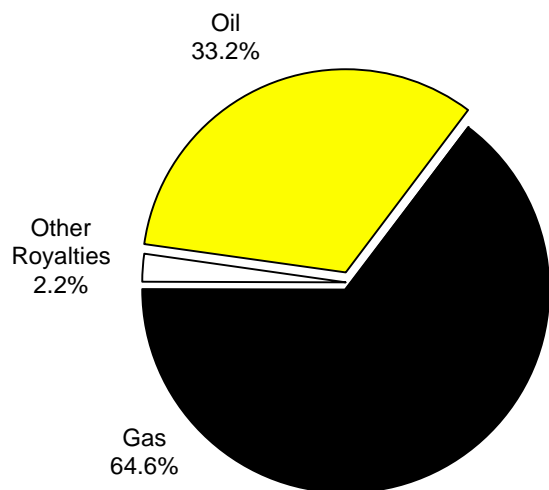
January - June, 1998

Figure 7. Revenues from OCS mineral leases by source, January - June, 1998 and 1999



Gas	\$ 755,816,784
Oil	379,099,867
Other Royalties	20,406,305
Total	\$1,155,322,956

January - June, 1999



Gas	\$ 959,740,581
Oil	492,302,359
Other Royalties	32,332,849
Total	\$1,484,375,789

January - June, 1998

Figure 8. Royalties from OCS mineral leases by commodity, January - June, 1998 and 1999

Onshore Federal Mineral Revenues



Photo courtesy of Shell Oil Company

Table 8. Revenues from Federal onshore mineral leases, by quarter, Calendar Year 1999

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties	\$ 77,563,220	\$ 80,155,729	\$ ---	\$ ---	\$ 157,718,949
Gas Royalties	98,993,431	85,719,638	---	---	184,713,069
Oil Royalties	25,719,302	29,403,771	---	---	55,123,073
Other Royalties . . .	<u>18,578,177</u>	<u>17,242,145</u>	<u>---</u>	<u>---</u>	<u>35,820,322</u>
Royalty Subtotal	\$220,854,130	\$212,521,283	\$ ---	\$ ---	\$ 433,375,413
Rents	\$ 9,450,827	\$ 8,952,534	\$ ---	\$ ---	\$ 18,403,361
Bonuses	\$ 55,578,204	\$ 10,903,153	\$ ---	\$ ---	\$ 66,481,357
Other Revenues . .	<u>\$ (7,875,304)</u>	<u>\$ (1,425,672)</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (9,300,976)</u>
Total	\$278,007,857	\$230,951,298	\$ ---	\$ ---	\$ 508,959,155

Table 9. Revenues from Federal onshore mineral leases, by quarter, Calendar Year 1998

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties	\$ 77,805,892	\$ 63,137,570	\$ 74,552,948	\$ 69,815,858	\$ 285,312,268
Gas Royalties	120,712,823	109,268,859	106,126,102	85,089,228	421,197,012
Oil Royalties	40,724,119	32,591,206	31,429,118	27,409,354	132,153,797
Other Royalties . . .	<u>24,001,979</u>	<u>18,538,301</u>	<u>21,099,202</u>	<u>19,078,972</u>	<u>82,718,454</u>
Royalty Subtotal	\$263,244,813	\$223,535,936	\$233,207,370	\$201,393,412	\$ 921,381,531
Rents	\$ 10,308,170	\$ 9,317,628	\$ 10,263,381	\$ 9,330,533	\$ 39,219,712
Bonuses	\$ 32,393,920	\$ 15,561,858	\$ 54,794,825	\$ 31,431,250	\$ 134,181,853
Other Revenues . .	<u>\$ 322,401</u>	<u>\$ 1,221,243</u>	<u>\$ 3,144,755</u>	<u>\$ 391,749</u>	<u>\$ 5,080,148</u>
Total	\$306,269,304	\$249,636,665	\$301,410,331	\$242,546,944	\$1,099,863,244

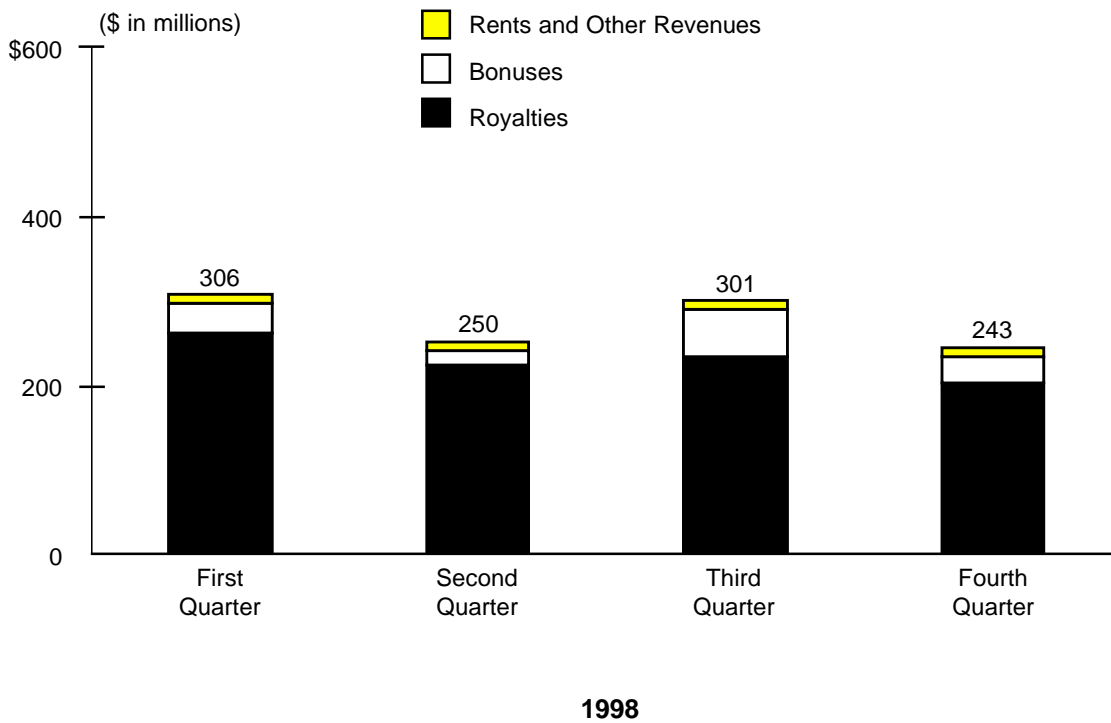
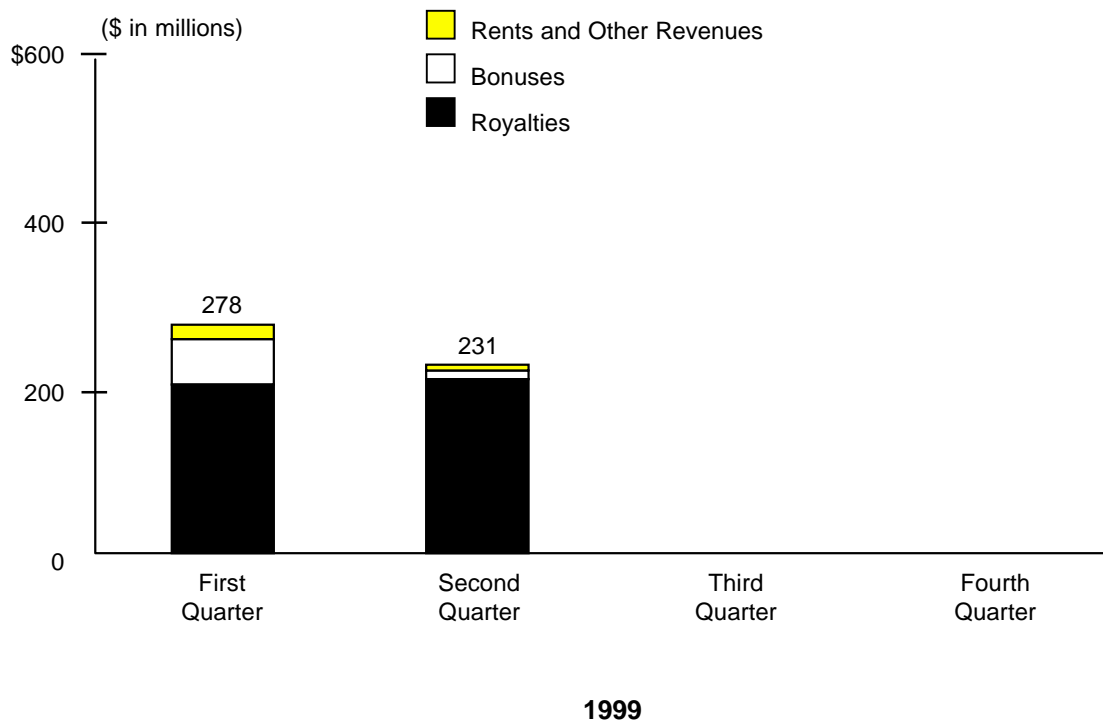


Figure 9. Revenues by source from Federal onshore mineral leases, by quarter, Calendar Years 1998 and 1999

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 1999

	Sales Volume	Sales Value	Royalties/ Revenues
<i>Carbon Dioxide</i>			
Colorado	118,640,375	\$ 69,191,046	\$ 4,201,656
New Mexico	4,738,253	2,000,161	251,086
Wyoming	<u>11,236,814</u>	<u>3,435,848</u>	<u>4,618</u>
Subtotal	134,615,442	\$ 74,627,055	\$ 4,457,360
<i>Clay</i>			
Alabama	41,066	\$ 82,132	\$ 3,285
Wyoming	<u>---</u>	<u>---</u>	<u>---</u>
Subtotal	41,066	\$ 82,132	\$ 3,285
<i>Coal</i>			
Alabama	682,730	\$ 31,583,867	\$ 2,337,848
Colorado	11,972,372	231,878,787	18,033,985
Kentucky	6,983	202,500	16,200
Montana	14,166,373	122,892,277	15,247,574
New Mexico	3,047,267	73,814,219	8,965,004
North Dakota	957,341	9,660,030	443,016
Oklahoma	(250,426)	(7,122,109)	(183,038)
Utah	11,863,038	232,911,502	15,777,744
Washington	452,866	13,027,920	952,896
Wyoming	<u>159,733,496</u>	<u>779,747,075</u>	<u>96,127,720</u>
Subtotal	202,632,040	\$1,488,596,068	\$157,718,949
<i>Cobalt</i>			
Missouri	12	\$ 31,991	\$ 854
<i>Copper</i>			
Missouri	6,535	\$ 2,751,620	\$ 49,980
<i>Gas</i>			
Alabama	539,006	\$ 917,019	\$ 109,989
Alaska	11,404,446	16,965,504	2,170,072
Arkansas	3,921,890	7,556,726	995,370
California	2,778,122	5,700,106	855,965
Colorado	35,526,755	63,559,184	7,451,339
Kansas	8,342,081	12,618,774	1,563,354
Kentucky	152,143	299,924	36,618
Louisiana	8,465,487	16,520,645	2,224,413
Michigan	1,864,911	3,710,410	474,269
Mississippi	651,880	1,291,020	162,154
Montana	6,901,256	14,581,526	1,760,774
Nebraska	8,004	14,958	935
New Mexico	558,316,814	811,330,073	92,403,380

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 1999 (cont.)

	Sales Volume	Sales Value	Royalties/ Revenues
Gas (cont.)			
New York	18,617	\$ 45,358	\$ 5,651
North Dakota	2,235,593	2,787,374	303,429
Ohio	315,848	761,474	95,610
Oklahoma	7,820,275	13,395,665	1,513,501
Pennsylvania	54,058	75,443	14,826
South Dakota	173,712	241,492	29,788
Tennessee	60	80	10
Texas	17,460,735	29,728,688	3,490,496
Utah	57,192,547	69,023,387	8,104,270
Virginia	168,405	314,918	39,837
West Virginia	695,139	1,406,778	169,442
Wyoming	<u>289,821,103</u>	<u>524,341,715</u>	<u>60,737,577</u>
Subtotal	1,014,828,887	\$1,597,188,241	\$184,713,069
Gas Lost			
California	3,994	\$ 6,276	\$ 785
Wyoming	<u>8,307</u>	<u>18,411</u>	<u>2,294</u>
Subtotal	12,301	\$ 24,687	\$ 3,079
Gas Plant Products			
Alabama	181	\$ 40	\$ 16
Alaska	1,197,146	365,496	42,007
California	(183,650)	(44,076)	(3,266)
Colorado	27,529,832	7,272,441	557,945
Kansas	3,546,170	709,624	54,131
Louisiana	21,315,576	4,902,583	429,466
Michigan	381,594	90,128	7,933
Montana	1,753,258	393,215	22,068
New Mexico	411,662,382	85,506,319	6,520,675
North Dakota	1,027,766	272,524	22,597
Oklahoma	265,288	59,148	6,634
Texas	735,619	328,227	40,734
Utah	3,920,230	1,418,825	38,910
Wyoming	<u>114,174,675</u>	<u>21,693,188</u>	<u>869,897</u>
Subtotal	587,326,067	\$ 122,967,682	\$ 8,609,747
Geothermal			
California	3,620,474	\$ 45,255,931	\$ 4,565,463
Nevada	25,229	444,030	44,314
Utah	<u>471,033</u>	<u>1,106,929</u>	<u>110,693</u>
Subtotal	4,116,736	\$ 46,806,890	\$ 4,720,470

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 1999 (cont.)

	Sales Volume	Sales Value	Royalties/ Revenues
<i>Gilsonite</i>			
Utah	6,586	\$ 1,759,370	\$ 116,159
<i>Hot Water</i>			
California	875,912	\$ 5,781,022	\$ 578,104
Nevada	7,297	27,730	2,772
New Mexico	<u>6,326</u>	<u>7,275</u>	<u>727</u>
Subtotal	889,535	\$ 5,816,027	\$ 581,603
<i>Langbeinite</i>			
New Mexico	591,991	\$36,185,664	\$1,057,208
<i>Lead</i>			
Missouri	149,637	\$65,296,004	\$1,647,683
<i>Limestone</i>			
Virginia	1,655	\$ 14,084	\$ 704
<i>Magnesium</i>			
Utah	14,644	\$ 199,853	\$ 5,995
<i>Nitrogen</i>			
North Dakota	24,398	\$ 4,878	\$ 595
Wyoming	<u>---</u>	<u>---</u>	<u>---</u>
Subtotal	24,398	\$ 4,878	\$ 595
<i>Oil</i>			
Alabama	49,952	\$ 544,709	\$ 67,838
Alaska	205,415	2,311,285	283,640
Arkansas	970	10,911	1,364
California	8,473,574	67,835,177	4,230,030
Colorado	2,478,122	29,301,269	3,703,981
Florida	4,035	44,928	5,608
Illinois	53,616	615,370	72,828
Kansas	94,820	1,065,450	111,659
Kentucky	4,812	53,216	1,059
Louisiana	447,044	6,999,560	852,936
Michigan	28,836	327,548	39,399
Mississippi	299,890	2,169,309	241,482
Montana	1,924,224	16,351,195	1,565,080
Nebraska	30,799	319,293	38,311

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 1999 (cont.)

	Sales Volume	Sales Value	Royalties/ Revenues
<i>Oil (cont.)</i>			
Nevada	355,435	\$ 3,353,087	\$ 388,405
New Mexico	14,646,277	160,861,087	15,710,477
North Dakota	3,058,548	34,055,263	4,111,644
Ohio	26,990	207,397	9,796
Oklahoma	114,166	960,518	99,234
South Dakota	98,795	1,150,315	143,489
Texas	185,569	2,567,939	235,708
Utah	1,804,406	18,033,259	2,152,589
West Virginia	7,661	94,054	11,757
Wyoming	<u>18,871,104</u>	<u>200,259,676</u>	<u>21,044,759</u>
Subtotal	53,265,060	\$549,491,815	\$55,123,073
<i>Oil Lost</i>			
California	(85,509)	\$ (723,463)	\$ (40,514)
New Mexico	<u>543</u>	<u>6,163</u>	<u>770</u>
Subtotal	(84,966)	\$ (717,300)	\$ (39,744)
<i>Phosphate</i>			
Idaho	1,823,646	\$ 31,352,987	\$ 1,567,466
<i>Potash</i>			
California	---	\$ ---	\$ ---
New Mexico	737,045	75,022,679	1,491,709
Utah	<u>7,091</u>	<u>748,706</u>	<u>22,462</u>
Subtotal	744,136	\$ 75,771,385	\$ 1,514,171
<i>Purge Liquor</i>			
Wyoming	26,360	\$ 524,823	\$ 31,183
<i>Quartz Crystals</i>			
Arkansas	11,675	\$ 13,658	\$ 683
<i>Sand and Gravel</i>			
Nevada	1,036,213	\$ 4,997,971	\$ 239,403
<i>Sodium</i>			
Arizona	241	\$ 7,953	\$ 398
California	468,085	33,946,364	1,677,060
Colorado	49,243	6,586,534	329,327

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 1999 (cont.)

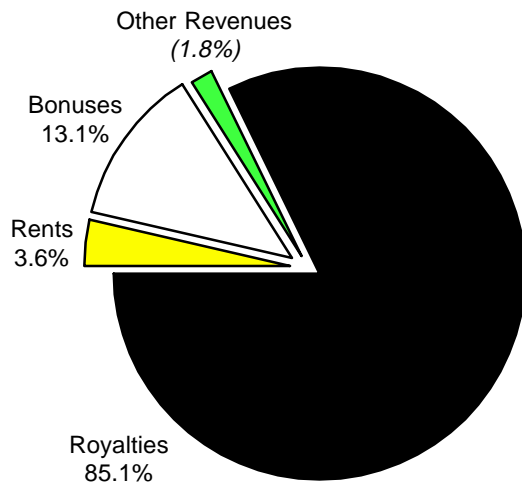
	Sales Volume	Sales Value	Royalties/ Revenues
<i>Sodium (cont.)</i>			
New Mexico	115,151	\$ 196,543	\$ 9,499
Utah	3,669	26,610	798
Wyoming	<u>2,170,608</u>	<u>149,647,365</u>	<u>8,654,105</u>
Subtotal	2,806,997	\$ 190,411,369	\$ 10,671,187
<i>Sulfur</i>			
Alabama	178	\$ 7,381	\$ 923
California	1,325	7,950	398
Montana	3,335	27,811	901
New Mexico	2,900	17,539	1,383
North Dakota	334	809	54
Wyoming	<u>(109,015)</u>	<u>(2,451,747)</u>	<u>(7,355)</u>
Subtotal	(100,943)	\$ (2,390,257)	\$ (3,696)
<i>Trona Ore</i>			
Wyoming	4,457	\$ 253,374	\$ 12,735
<i>Zinc</i>			
Missouri	37,476	\$ 18,797,294	\$ 572,212
Royalty Total		\$4,310,859,365	\$433,375,413
<i>Rents</i>			
Alabama			\$ 5,478
Alaska			1,821
Arizona			114,925
Arkansas			156,775
California			236,842
Colorado			1,768,475
Florida			2,587
Idaho			9,465
Illinois			688
Kansas			(13,696)
Kentucky			8,542
Louisiana			171,320
Maryland			496
Michigan			9,374
Minnesota			900
Mississippi			314,177
Missouri			(158,379)

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 1999 (cont.)

	Sales Volume	Sales Value	Royalties/ Revenues
Rents (cont.)			
Montana			\$ 1,074,729
Nebraska			371
Nevada			1,180,715
New Mexico			1,422,986
North Dakota			398,444
Ohio			2,836
Oklahoma			82,019
Oregon			56,825
South Dakota			97,862
Texas			109,089
Utah			2,255,742
Virginia			90
Washington			41,379
West Virginia			1,287
Wisconsin			180
Wyoming			<u>9,049,017</u>
Rents Total			\$18,403,361
Bonuses			
Alabama			\$ 4,204
Arkansas			8,263,543
Colorado			13,230
Idaho			24,000
Kansas			324,033
Louisiana			10,888
Michigan			(14,100)
Mississippi			817,224
Montana			80,045
Nevada			3,011,491
New Mexico			64,682
North Dakota			228
Ohio			258,000
Oklahoma			
Texas			1,449,752
Utah			<u>52,174,137</u>
Wyoming			
Bonuses Total			\$66,481,357

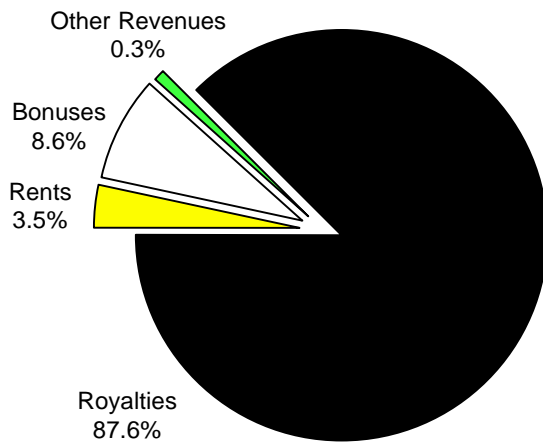
Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 1999 (cont.)

	Sales Volume	Sales Value	Royalties/ Revenues
Other Revenues			
Alabama			\$ 134,384
Alaska			(17,809)
Arkansas			(23,197)
California			141,941
Colorado			1,278,174
Florida			1,889
Idaho			44,046
Kansas			5,292
Kentucky			19,045
Louisiana			15,267
Maryland			1,607
Michigan			(7,604)
Minnesota			48,660
Mississippi			3,412
Missouri			34,652
Montana			220,653
Nebraska			14,074
Nevada			17,479
New Mexico			4,652,328
North Carolina			474
North Dakota			7,985
Ohio			2,005
Oklahoma			94,422
Pennsylvania			5,990
South Dakota			12,955
Texas			(5,425)
Utah			457,309
West Virginia			14,463
Wyoming			<u>(16,475,447)</u>
Other Revenues Total			\$ (9,300,976)
Total Revenues			\$508,959,155



Royalties	\$433,375,413
Rents	18,403,361
Bonuses	66,481,357
Other Revenues	<u>(9,300,976)</u>
Total	\$508,959,155

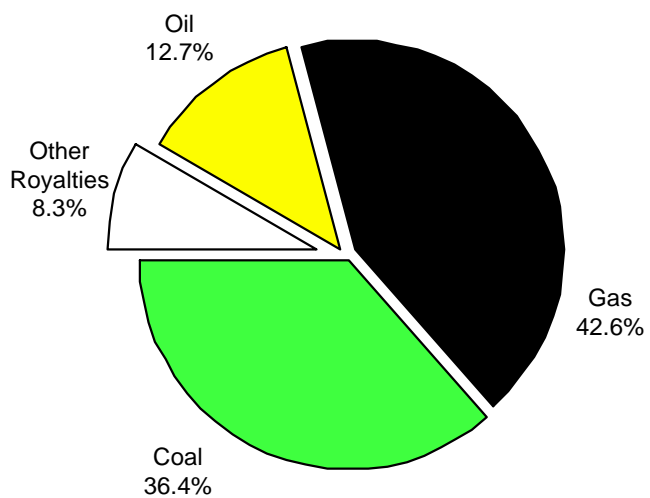
January - June, 1999



Royalties	\$486,780,749
Rents	19,625,798
Bonuses	47,955,778
Other Revenues	<u>1,543,644</u>
Total	\$555,905,969

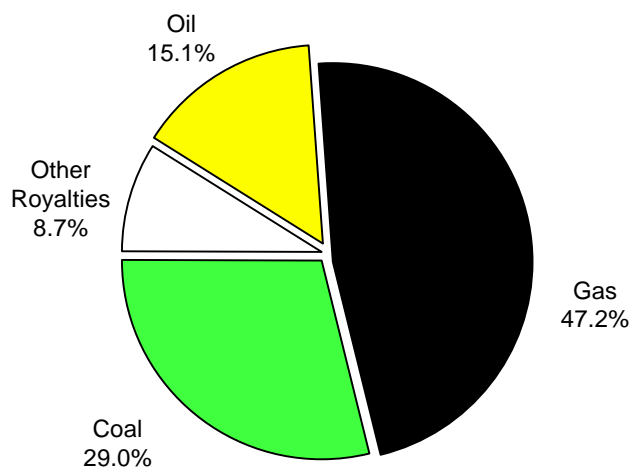
January - June, 1998

Figure 10. Revenues from Federal onshore mineral leases by source, January - June, 1998 and 1999



Coal	\$157,718,949
Gas	184,713,069
Oil	55,123,073
Other Royalties	35,820,322
Total	\$433,375,413

January - June, 1999



Coal	\$140,943,462
Gas	229,981,682
Oil	73,315,325
Other Royalties	42,540,280
Total	\$486,780,749

January - June, 1998

Figure 11. Royalties from Federal onshore mineral leases by commodity, January - June, 1998 and 1999

Indian Mineral Revenues



Photo courtesy of Corel Corporation

Table 11. Revenues from Indian mineral leases, by quarter, Calendar Year 1999

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties	\$15,995,586	\$16,495,856	\$ ---	\$ ---	\$ 32,491,442
Gas Royalties	16,490,730	14,254,991	---	---	30,745,721
Oil Royalties	5,112,888	3,468,040	---	---	8,580,928
Other Royalties . . .	<u>1,788,996</u>	<u>2,274,879</u>	<u>---</u>	<u>---</u>	<u>4,063,875</u>
Royalty Subtotal	\$39,388,200	\$36,493,766	\$ ---	\$ ---	\$ 75,881,966
Rents	\$ 274,338	\$ 228,833	\$ ---	\$ ---	\$ 503,171
Bonuses	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Other Revenues . .	<u>\$ 4,103,871</u>	<u>\$ 695,717</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 4,799,588</u>
Total	\$43,766,409	\$37,418,316	\$ ---	\$ ---	\$ 81,184,725

NOTE: Indian bonuses are collected by the Bureau of Indian Affairs.

Table 12. Revenues from Indian mineral leases, by quarter, Calendar Year 1998

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties	\$15,076,834	\$10,835,505	\$15,441,112	\$19,068,452	\$ 60,421,903
Gas Royalties	20,413,241	18,445,005	18,891,253	16,765,734	74,515,233
Oil Royalties	8,848,171	8,004,858	6,919,581	8,245,031	32,017,641
Other Royalties . . .	<u>1,801,608</u>	<u>2,421,531</u>	<u>2,334,503</u>	<u>2,280,240</u>	<u>8,837,882</u>
Royalty Subtotal	\$46,139,854	\$39,706,899	\$43,586,449	\$46,359,457	\$175,792,659
Rents	\$ 168,734	\$ 237,177	\$ 288,324	\$ 256,583	\$ 950,818
Bonuses	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Other Revenues . .	<u>\$ 979,872</u>	<u>\$ 1,770,900</u>	<u>\$ 5,470,374</u>	<u>\$ 918,805</u>	<u>\$ 9,139,951</u>
Total	\$47,288,460	\$41,714,976	\$49,345,147	\$47,534,845	\$185,883,428

NOTE: Indian bonuses are collected by the Bureau of Indian Affairs.

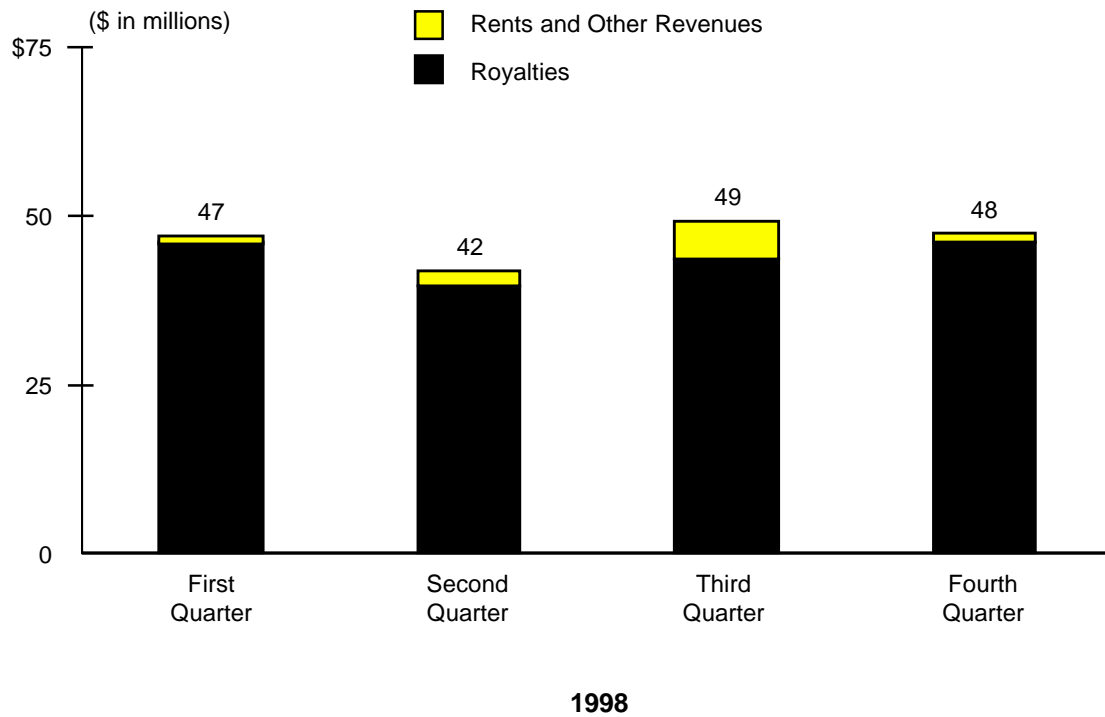
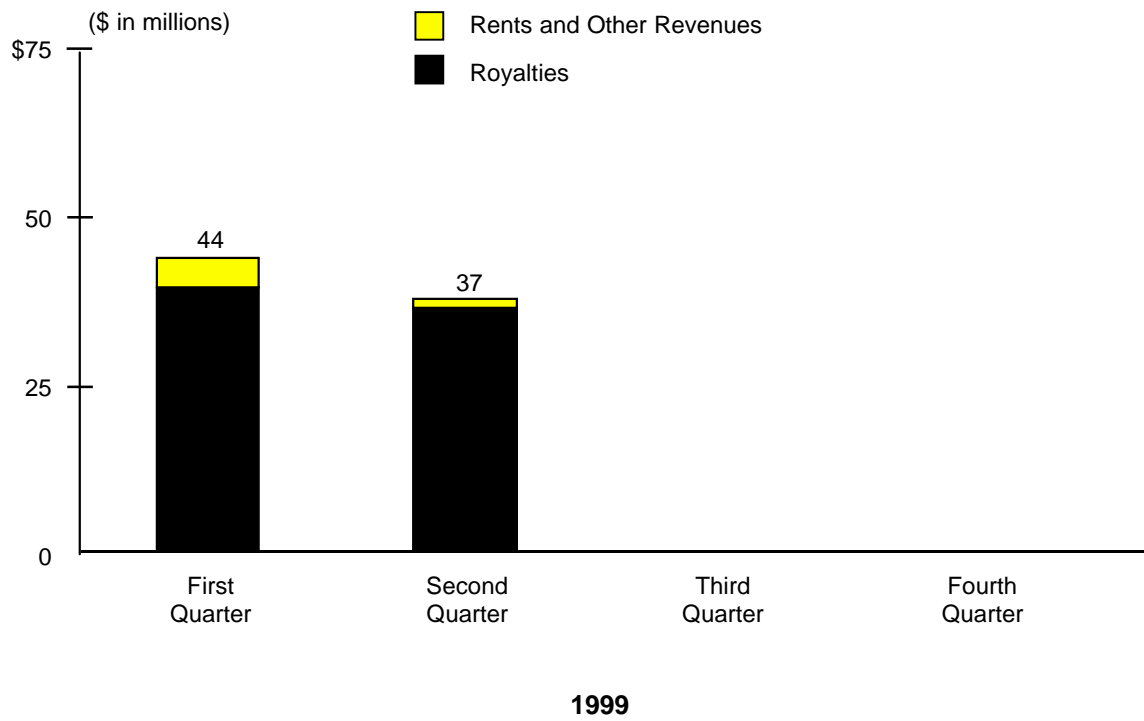


Figure 12. Revenues by source from Indian mineral leases, by quarter, Calendar Years 1998 and 1999

Table 13. Summary of royalties, rents, and other revenues from Indian mineral leases, January - June, 1999

	Sales Volume	Sales Value	Royalties/ Revenues
Coal			
Arizona	7,182,409	\$ 161,245,090	\$20,155,636
Montana	2,889,480	18,576,002	1,475,714
New Mexico	<u>4,809,368</u>	<u>87,722,874</u>	<u>10,860,092</u>
Subtotal	14,881,257	\$267,543,966	\$32,491,442
Copper			
Arizona	13,868	\$ 5,770,851	\$ 534,381
Gas			
Arizona	49,049	\$ 63,917	\$ 10,643
Colorado	84,622,294	112,571,493	15,776,792
Montana	837,334	1,272,913	192,724
New Mexico	27,032,254	47,465,551	6,059,948
North Dakota	84,060	79,955	10,261
Oklahoma	10,265,749	19,888,732	3,407,219
Texas	6,184,892	12,171,305	2,307,090
Utah	2,846,995	6,140,197	924,081
Wyoming	<u>7,916,665</u>	<u>12,606,797</u>	<u>2,056,963</u>
Subtotal	139,839,292	\$212,260,860	\$30,745,721
Gas Lost			
Montana	28,164	\$ 42,205	\$ 5,276
Utah	<u>(3,539)</u>	<u>(7,644)</u>	<u>(1,150)</u>
Subtotal	24,625	\$ 34,561	\$ 4,126
Gas Plant Products			
Colorado	436,827	\$ 91,645	\$ 2,847
Montana	165,930	28,409	2,484
New Mexico	18,773,739	3,373,706	324,591
North Dakota	473,707	91,852	4,722
Oklahoma	2,788,844	572,731	88,261
Texas	11,943,807	2,545,747	342,324
Utah	1,519,464	361,560	44,494
Wyoming	<u>318,281</u>	<u>72,308</u>	<u>9,984</u>
Subtotal	36,420,599	\$ 7,137,958	\$ 819,707
Gypsum			
New Mexico	269,323	\$ 1,071,905	\$ 290,915

Table 13. Summary of royalties, rents, and other revenues from Indian mineral leases, January - June, 1999 (cont.)

	Sales Volume	Sales Value	Royalties/ Revenues
<i>Molybdenum</i>			
Arizona	2	\$ 4,551	\$ 455
<i>Oil</i>			
Arizona	106,989	\$ 1,024,958	\$ 170,821
Colorado	79,780	588,906	88,267
Michigan	382	5,177	701
Montana	300,881	3,187,722	517,021
New Mexico	565,488	4,022,321	556,140
North Dakota	33,212	372,674	53,693
Oklahoma	695,171	7,967,991	1,211,234
South Dakota	1,838	11,444	2,289
Texas	347,618	4,482,798	793,954
Utah	2,258,752	19,323,647	3,553,495
Wyoming	<u>867,587</u>	<u>7,594,608</u>	<u>1,633,313</u>
Subtotal	5,257,698	\$ 48,582,246	\$ 8,580,928
<i>Oil Lost</i>			
Colorado	85	\$ 1,205	\$ 151
<i>Sand and Gravel</i>			
Arizona	1,631,448	\$ 7,542,518	\$ 1,233,202
California	500,300	1,767,272	432,098
Colorado	3,143	13,753	2,137
Nevada	237,932	1,129,790	116,587
New Mexico	611,440	1,720,397	423,046
Oklahoma	35,240	39,469	17,422
Utah	122,434	436,284	50,696
Washington	<u>200,850</u>	<u>578,884</u>	<u>128,396</u>
Subtotal	3,342,787	\$ 13,228,367	\$ 2,403,584
<i>Silica Sand</i>			
Arizona	23,738	\$ 532,897	\$ 10,445
<i>Sulfur</i>			
North Dakota	99	\$ 874	\$ 111
Royalty Total		\$556,170,241	\$75,881,966

Table 13. Summary of royalties, rents, and other revenues from Indian mineral leases, January - June, 1999 (cont.)

	Sales Volume	Sales Value	Royalties/ Revenues
Rents			
Arizona			\$ 2,075
Colorado			21,195
Idaho			---
Michigan			71
Montana			30,294
New Mexico			263,103
North Dakota			4,703
Oklahoma			68,336
South Dakota			---
Utah			91,826
Wyoming			21,568
Rents Total			\$ 503,171
Other Revenues			
Arizona			\$ 538,289
California			31,789
Colorado			229,921
Idaho			---
Michigan			49
Montana			(12,817)
New Mexico			586,340
North Dakota			(1,424)
Oklahoma			3,335,404
Texas			---
Utah			59,979
Washington			3,000
Wyoming			29,058
Other Revenues Total			\$ 4,799,588
Total Revenues			\$81,184,725

NOTE: This table does not include sales volume, sales value, or revenues for Indian nonstandard leases and agreements.

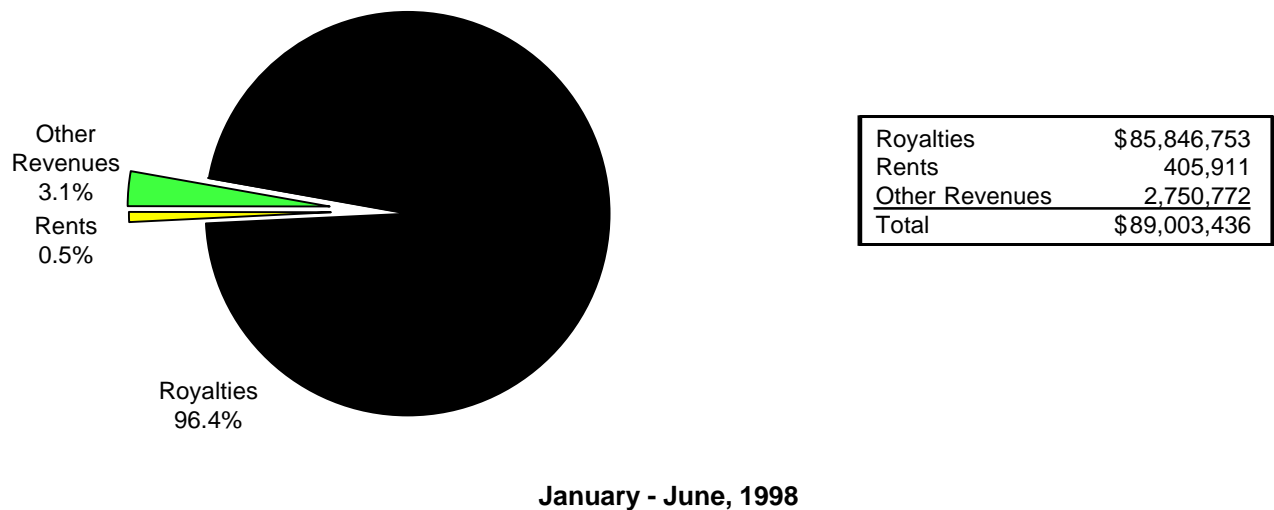
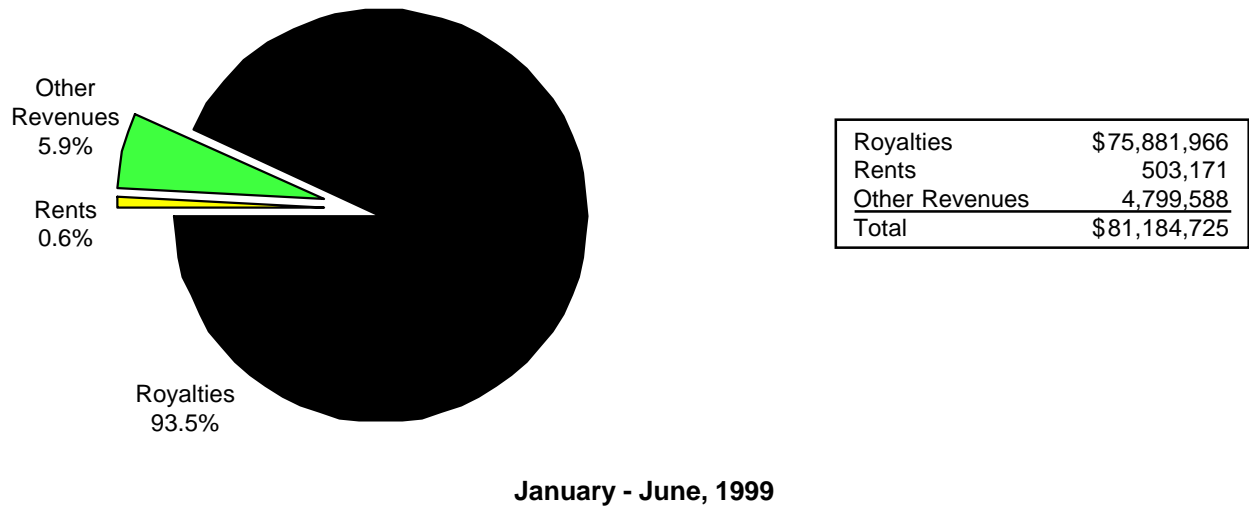
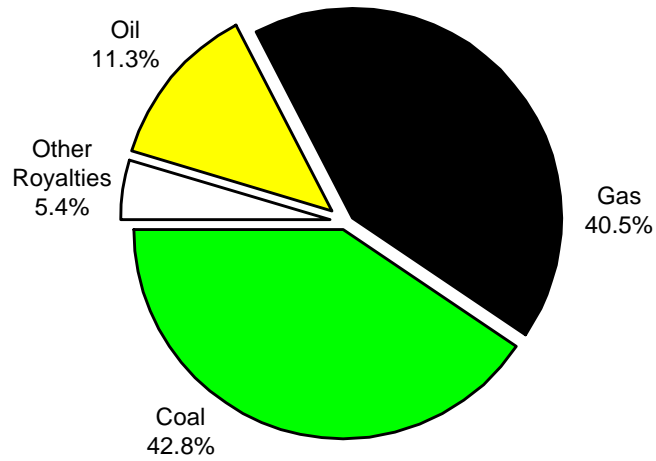
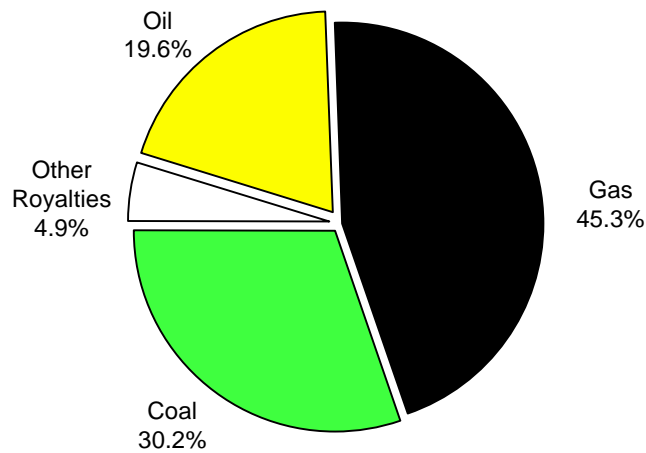


Figure 13. Revenues from Indian mineral leases by source, January - June, 1998 and 1999



Coal	\$32,491,442
Gas	30,745,721
Oil	8,580,928
Other Royalties	4,063,875
Total	\$75,881,966

January - June, 1999



Coal	\$25,912,339
Gas	38,858,246
Oil	16,853,029
Other Royalties	4,223,139
Total	\$85,846,753

January - June, 1998

Figure 14. Royalties from Indian mineral leases by commodity, January - June, 1998 and 1999

Glossary

Acquired lands — Lands in Federal ownership that the Government obtained by deed through purchase, gift, exchange, or condemnation proceedings.

Allowance — An allowable deduction from value for royalty purposes.

Auditing and Financial System — A computer system application operated by the Minerals Management Service for collecting and disbursing royalties from producing leases and rents from nonproducing leases on Federal and Indian lands.

Barrel/bbl — A measure of volume for petroleum products. One barrel is equivalent to 42 U.S. gallons or 0.1589 cubic meters. One cubic meter equals 6.293 barrels.

BIA — Bureau of Indian Affairs. A Federal agency within the U.S. Department of the Interior responsible for facilitating the full development of the human and natural resource potential of Indian and Alaskan Native people to manage their own affairs under a trust relationship with the Federal Government.

Bonus — The cash consideration paid to the United States by the successful bidder for a mineral lease. The payment is made in addition to the rent and royalty obligations specified in the lease.

Bureau of Land Management — A Federal agency within the U.S. Department of the Interior that administers public lands and natural resources. Bureau of Land Management programs provide for the protection, orderly development, and use of public lands and resources under principles of multiple use and sustained yield.

Business Information System — A computer system application operated by the Minerals Management Service. The Business Information System is an enhanced version of the former State and Tribal Support System and is compatible with the post-Business Systems Planning Implementation

architecture. The Business Information System provides States, Indian Tribes, and other Federal agencies with access to Auditing and Financial System data and selected Production Accounting and Auditing System data.

Competitive leasing — The Federal Government issues leases on Federal onshore lands where there are known mineral deposits, or where inference of probable mineralization may be derived from knowledge of the geology of the land. The lands are offered for lease by competitive bidding following publication of the offer of the lands for lease. The lease is issued to the highest bidder at a sale by public auction. The Federal Government offers leases of certain Outer Continental Shelf tracts by competitive sealed bid. The bids are received, announced, and recorded, and the lease is generally issued to the highest bidder. See **Noncompetitive leasing**.

Department of the Interior — A Cabinet-level department in the Executive Branch of the Federal Government responsible for the administration of most of the nationally owned public lands and natural resources. The Department of the Interior is further responsible for American Indian reservation communities and for individuals who live in Island Territories under U.S. administration.

Effective date — The date a lease or assignment becomes effective. The effective date for a lease is the first day of the month after the issue date or, upon applicant request, the first day of the month of issuance. The effective date for an assignment is the first day of the month after proper filing of all required documents.

Electronic data interchange — A process designed to exchange information electronically to reduce paper report volume, reduce errors and expedite error correction, and provide a more current database.

Explanation of payment reports — A series of reports produced by the Minerals Management

Service Royalty Management Program, mailed twice each month to Indian Tribes and once each month to States. The reports for Indian allottees are produced and distributed twice each month by the Bureau of Indian Affairs with information supplied by the Royalty Management Program. The reports address the source and nature of mineral revenue disbursements.

Federal land — All land and interests in land owned by the Federal Government, including Outer Continental Shelf, public domain, acquired, and military lands.

Federal Oil and Gas Royalty Management Act of 1982 — Federal Oil and Gas Royalty Management Act of 1982, 30 U.S.C. 1701 *et seq.* Public Law 97-451 enacted to ensure that royalties from oil and gas produced from Federal and Indian lands and the Outer Continental Shelf are properly collected and accounted for under the direction of the Secretary of the Interior.

Federal Oil and Gas Royalty Simplification and Fairness Act — Public Law 104-185, 110 Stat. 1700, enacted to amend the Federal Oil and Gas Royalty Management Act of 1982 and revise Minerals Management Service procedures in several respects.

FY — Fiscal Year. A period of time used for accounting purposes. The Federal Government recognizes a fiscal year that begins October 1 of one year and ends September 30 of the following year.

Indian allotment — An allocation of a parcel of public lands or Indian reservation lands to an Indian for individual use. Revenue from mineral production from leases on Indian allotments is paid to the individual Indian allottee. See **Indian allottee**.

Indian allottee — Any Indian who holds title to land or an interest in land subject to Federal restrictions against alienation. See **Indian allotment**.

Indian land — Lands owned by Indians, including either Tribal lands held in trust by the United States or subject to Federal restrictions against alienation, or allotted land owned by an individual Indian with Federal restrictions against alienation. The Bureau of Indian Affairs monitors Indian leases.

Lease — A legal document executed between a landowner, as lessor, and a company or individual, as lessee, that conveys the right to exploit the premises for minerals or other products for a specified period of time over a given area.

LWCF — Land and Water Conservation Fund. The Land and Water Conservation Act of 1965 created a fund, currently administered by the National Park Service, to provide revenues for the Federal Government, State governments, and local governments to purchase parks and recreation areas and to plan, acquire, and develop land and water resources for recreational use. Approximately 10-30 percent of the legislated yearly minimum of \$900 million is provided through revenues from surplus property sales and receipts from the motorboat fuels tax. The remaining 70-90 percent of the legislated yearly minimum is provided from offshore mineral leasing under the provisions of the Outer Continental Shelf Lands Act, as amended.

Mcf — Thousand cubic feet.

Military acquired lands — Lands acquired with military funds under military acquisition laws.

Mineral — Naturally occurring organic or inorganic substances with characteristics and uses that bring them within the purview of mineral laws. Minerals may be obtained under applicable laws from public lands by purchase, lease, or preemptive entry.

Mineral Leasing Act for Acquired Lands of 1947, as amended, 30 U.S.C. 351 *et seq.* — An act that extends mineral leasing laws, including the Mineral Leasing Act of 1920 and subsequent amendments, to all lands acquired by the United States, and authorizes mineral leasing on those lands. Mineral leases on acquired lands cannot be issued without the concurrence of the acquiring agency. The act requires disbursement of mineral receipts from acquired lands in the manner prescribed by legislation governing the type of land in question, including acquired national grasslands, and acquired national forest lands. See **MLA**.

Minimum royalty — An annual payment on a per-acre basis, required to maintain the rights to a lease

until production exceeds a minimum value. Once annual production exceeds the minimum value, minimum royalty payments are no longer required in that lease year.

MLA — Mineral Leasing Act of 1920, as amended, 30 U.S.C. 181 *et seq.* An act, with subsequent amendments, that promotes the production of coal, gas, oil, oil shale, phosphate, potassium, and sodium on Federal public domain lands. The act establishes procedures to explore and develop each of these minerals and specifies terms and conditions for issuing permits and leases. Rental and royalty terms are specified for each mineral, and general conditions are established for pipeline right-of-way, lease diligence, royalty disposition, and holding restrictions. The act requires sharing royalty and other lease revenues with the States. The Secretary of the Interior is authorized to promulgate rules and regulations to implement and enforce the act.

MMS — Minerals Management Service. A Federal agency within the U.S. Department of the Interior that administers the Offshore Minerals Management Program and the Royalty Management Program. The Offshore Minerals Management Program is responsible for the Outer Continental Shelf leasing program and for ensuring that exploration and production of the Nation's offshore mineral resources is conducted in a safe manner with concern for the environment. The Royalty Management Program is responsible for the accurate and timely determination, collection, and distribution of royalties from Federal and Indian lands, and bonuses and rents from Federal lands.

Net profit share lease — An Outer Continental Shelf lease that provides for payment to the United States of a percentage share of the net profits for production of oil and gas from the tract. The percentage share may be fixed in the notice of the lease sale or may be a variable of the bid, depending on the bidding system used for the lease sale.

NHPF — National Historic Preservation Fund. A fund, currently administered by the National Park Service, designed to expand and accelerate historic preservation plans and activities. NHPF provides revenues for matching grants-in-aid to States and local governments, and funds the National Trust for

Historic Preservation. Offshore mineral leasing provides 100 percent of fund revenues.

Noncompetitive leasing — Leases issued to qualified applicants for land not specifically known or presumed to contain mineral or petroleum deposits in quantity. See **Competitive leasing**.

OCS — Outer Continental Shelf. All submerged lands seaward and outside the area of lands beneath navigable waters. Lands beneath navigable waters are interpreted as extending from the coastline 3 nautical miles into the Arctic Ocean, the Atlantic Ocean, the Pacific Ocean, and the Gulf of Mexico, excluding the coastal waters off Texas and western Florida. Lands beneath navigable waters are interpreted as extending from the coastline 3 marine leagues into the Gulf of Mexico off Texas and western Florida.

OCSLA — Outer Continental Shelf Lands Act of 1953, as amended, 43 U.S.C. 1331 *et seq.* An act that establishes procedures for U.S. jurisdiction over Outer Continental Shelf lands and authorizes the Secretary of the Interior to issue exploration permits and mineral leases for oil, gas, sulfur, and other mineral resources on those lands. The Secretary is authorized to implement alternative bidding systems, including net profit share leases, to promote development of marginal oil and gas deposits. Significant amendments were enacted into the original law in 1978 and 1985. See **Net profit share lease**.

OPEC — Organization of Petroleum Exporting Countries. Current members follow: Algeria, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.

Operator — The individual, partnership, firm, or corporation having control or management of operations on a leased area or a portion thereof. The operator may be the lessee, designated agent of the lessee, a holder of rights under an approved operation agreement, or an agent of an operating rights holder.

OTFM — Office of Trust Funds Management. An office within the U.S. Department of the Interior responsible for the management and investment of

Tribal and Indian trust funds for the Office of Special Trustee for American Indians.

Production Accounting and Auditing System — An integrated system of both automated and manual applications operated by the Minerals Management Service to collect production and other operational data, and to ensure that royalties are paid on 100 percent of reported production.

Public lands — Any land and interest in land owned by the United States and administered by the Secretary of the Interior through the Bureau of Land Management and the Minerals Management Service, without regard to the manner through which the United States acquired ownership, except (1) lands located on the Outer Continental Shelf, and (2) lands held for the benefit of Indians, Aleuts, and Eskimos. The Bureau of Land Management considers acquired lands to be a category of public lands. The Minerals Management Service distinguishes public domain lands from acquired lands for purposes of various statutory revenue distributions. See **Acquired lands**.

Rent — Periodic payments made by the holder of a lease, during the primary lease term, for the right to use the land or resources for purposes established in the lease.

Report month — The month in which the Minerals Management Service receives production, sales, or royalty reports from operators and lessees.

Royalty — Payment, in value (money) or in kind (a volume of the commodity), of a stated proportionate interest in production from mineral deposits by the lessees to the lessor. The royalty rate may be an established minimum, a step-scale, or a sliding-scale. A step-scale royalty rate increases by steps as the average production on the lease increases. A sliding-

scale royalty rate is based on average production and applies to all production from the lease.

Royalty-in-kind — A program operated under the provisions of the Mineral Leasing Act of 1920 and the Outer Continental Shelf Lands Act of 1953. The Federal Government, as lessor, may take part or all of its oil and gas royalties “in kind” (a volume of the commodity) as opposed to “in value” (money). Under the oil royalty-in-kind program, the Government sells oil at fair market value to eligible refiners who do not have access to an adequate supply of crude oil at equitable prices. In addition, the Minerals Management Service initiated three royalty-in-kind pilot programs in 1998, entering into contracts to sell selected Wyoming oil and selected Gulf of Mexico natural gas by competitive bid to gas marketers. The pilot was designed to reduce the administrative burden for both industry and the Government.

RMP — Royalty Management Program. See **MMS**.

Sales value — Proceeds received for the sale of a mineral.

Sales volume — The volume of mineral production measured at the royalty settlement point determined by the Bureau of Land Management for onshore production and the Minerals Management Service for offshore production.

Treasury — U.S. Department of the Treasury. A Cabinet-level department in the Executive Branch of the Federal Government responsible for the financial resources of the United States. The Treasury is responsible for regulating national banks, determining international economic policy, collecting income taxes and customs duties, reporting Government daily financial transactions, and manufacturing coins and bills for circulation.

Appendix

Inch-Pound/Metric Conversion

Measurements in this report use English (inch-pound) units. Federal and industry organizations are moving toward International System Units, often referred to as metric units. The following table provides factors for converting measurements to inch-pound or metric units. To obtain the metric equivalent, multiply the inch-pound unit by the conversion factor. To obtain the inch-pound equivalent, multiply the metric unit by the conversion factor.

To convert from inch-pound unit	Multiply by	To equal metric unit
acre	0.4047	hectare
barrel (42 U.S. gallons)	0.1589	cubic meter
barrel (42 U.S. gallons)	0.136	metric ton
cubic foot	0.0283	cubic meter
gallon	3.785	liter
mile	1.609	kilometer
ton, long (2,240 U.S. lb.)	1.016	metric ton
ton, short (2,000 U.S. lb.)	0.9072	metric ton
To convert from metric unit	Multiply by	To equal inch-pound unit
cubic meter	6.293	barrel (42 U.S. gallons)
cubic meter	35.33	cubic foot
hectare	2.471	acre
kilometer	0.6215	mile
liter	0.2642	gallon
metric ton	7.33	barrels (42 U.S. gallons)
metric ton	0.9843	long ton (2,240 U.S. lb.)
metric ton	1.1023	short ton (2,000 U.S. lb.)



As the Nation's principal conservation agency, the Department of the Interior has responsibility for most of our nationally owned public lands and natural resources. This includes fostering sound use of our land and water resources; protecting our fish, wildlife, and biological diversity; preserving the environmental and cultural values of our national parks and historical places; and providing for the enjoyment of life through outdoor recreation. The Department assesses our energy and mineral resources and works to ensure that their development is in the best interests of all our people by encouraging stewardship and citizen participation in their care. The Department also has a major responsibility for American Indian reservation communities and for people who live in island territories under U.S. administration.



As a bureau of the Department of the Interior, the Minerals Management Service's (MMS) primary responsibilities are to manage the mineral resources located on the Nation's Outer Continental Shelf (OCS), collect revenue from the Federal OCS and onshore Federal and Indian lands, and distribute those revenues.

Moreover, in working to meet its responsibilities, the **Offshore Minerals Management Program** administers the OCS competitive leasing program and oversees the safe and environmentally sound exploration and production of our Nation's offshore natural gas, oil and other mineral resources. The MMS **Royalty Management Program** meets its responsibilities by ensuring the efficient, timely and accurate collection and disbursement of revenue from mineral leasing and production due to Indian tribes and allottees, States and the U.S. Treasury.

The MMS strives to fulfill its responsibilities through the general guiding principles of: (1) being responsive to the public's concerns and interests by maintaining a dialogue with all potentially affected parties and (2) carrying out its programs with an emphasis on working to enhance the quality of life for all Americans by lending MMS assistance and expertise to economic development and environmental protection.